

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD JANUARY 19, 2022 AT 5:30 P.M.**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a regular meeting, including sitting as the Port of Brownsville Pilot Board, on **Wednesday, January 19, 2022, at 5:30 p.m.** The following individuals were present and absent:

PRESENT: Sergio Tito Lopez, Chairman
Ralph Cowen
Esteban Guerra
John Wood
John Reed

ABSENT: None

ALSO PRESENT: Eduardo A. Campirano, Port Director and CEO
William J. Irwin, Associate District Counsel

STAFF MEMBERS: Melinda Rodriguez
Arturo Gomez
Jaime Martinez
Ariel Chavez
Chief Carlos Garcia
Janie Velasquez
Tony Rodriguez
Margie Recio
Jorge Montero
Karina Franco
Zeus Yanez

OTHERS PRESENT: Rev. Andreas Lewis
Jorge de la Colina
Noe Hinojosa
Hunter Stanco
Bobby Villarreal
Nellie Perez

1. Meeting Called To Order

Chairman Lopez called the meeting to order at 5:35 p.m. Reverend Lewis offered a prayer. The Chairman then led those present in the Pledge of Allegiance to the United States and Texas flags.

2. Public Audience

No person registered to address the Board.

3. Receive Director's Report

a. Receive Port Monthly Operations Summary Report

Ms. Rodriguez introduced the Port's new Director of Finance, Zeus Yanez. Mr. Yanez addressed

the Board and thanked the Port for the opportunity. The Board then received the reports.

CONSENT AGENDA

4. Consideration and Action on the Following Consent Agenda Items:

- a. Approval of the Minutes of the Regular Board Meeting of January 05, 2022.
- b. Approval to authorize payments over \$25,000.00:
 1. Foremost Paving, the amount of \$60,744.60, for BND South Port Connector; and
 2. R.M. Walsdorf, Inc., the amount of \$101,500.65, for Oil Dock #6 Bulkhead.

Commissioner Guerra moved to approve all consent agenda items, Commissioner Cowen seconded, and the motion passed unanimously.

5. Presentation of District's Investment Report for the quarter ended December 31, 2021.

Mr. Yanez made the report to the Board. Brief discussion followed.

6. Presentation on the Performance of District's Pension Plan and 457 Voluntary Deferred Compensation Program.

Mr. Martinez introduced Hunter Stanco. Mr. Stanco made the presentation to the Board.

7. Consideration and action of a Resolution Authorizing the issuance of "Brownsville Navigation District of Cameron County, Texas Senior Lien Revenue Refunding Bonds, Series 2022"; entering into a Paying Agent/Registrar Agreement and an Escrow Agreement; delegating to certain District Administrative Staff and Officials the Authority to approve the final terms of the bonds; and other matters related thereto.

Mr. Campirano addressed the Board requesting the adoption on a Resolution Authorizing the issuance of "Brownsville Navigation District of Cameron County, Texas Senior Lien Revenue Refunding Bonds, Series 2022". The Brownsville Navigation District's Financial Advisor Estrada Hinojosa is recommending Re-financing a Series 2012 Revenue Bonds in the amount of \$10,000,000. The issue date of the Bonds was December 15, 2012, with a Maturity Date of March 1, 2038. The purpose of the \$10,000,000 principal amount of the Bond was for the acquisition, construction, equipment and rehabilitation of facilities of the BND including a new Dock. Mr. Hinojosa and Mr. Irwin also addressed the Board. After discussion, Commissioner Reed moved to adopt the Resolution for the Re-financing of the Series 2012 Bond, Commissioner Wood seconded, and the motion passed unanimously.

8. Consideration and Action on Assignments, Negotiations, Easements, Subleases, and Contracts in General.

Ms. Rodriguez addressed the Board regarding the following items:

1. Cellco Partnership dba Verizon Wireless (**Authority to Negotiate**)

Staff requested authority to negotiate a new lease with Cellco Partnership dba Verizon Wireless for the use of 2.34 acres of land space, for the purpose of installing a 180 ft. Communication Services Tower. Commissioner Reed moved to approve Authority to Negotiate a new lease with Cellco Partnership dba Verizon Wireless, Commissioner Guerra seconded, and the motion passed unanimously.

2. Quality Weighing Services, Inc. (New Lease)

Quality Weighing Service, Inc. current lessee under BND #3851 which expired on 12/31/2021, seeks approval of a New Lease for a term of 5 years with one renewal option for 5 years. This property is located at 875 N. Milo Road and consists of 2.92 acres. The purpose of the lease is for a public scale. Commissioner Guerra moved to approve a New Lease for Quality Weighing Services Inc., Commissioner Wood seconded, and the motion passed unanimously.

3. Juan Delgadillo (Release of Lease)

Juan Delgadillo (BND Contract #1781) lease land site – 2,660 acres of land out of Share 6 & 7 San Martin Grant is requesting a release of lease from BND Commission. This site has been leased to his sons' Mark Lee & Andres Delgadillo. Commissioner Reed moved to approve the Release of Lease to Juan Delgadillo as of October 10, 2021, Commissioner Wood seconded, and the motion passed unanimously.

9. Consideration and Action to approve a Landlord Creditor Agreement with Bank Leumi USA regarding a credit agreement by Scrap Metal Services, LLC.

Mr. Campirano addressed the Board requesting approval on the Landlord Creditor Agreement with Bank Leumi USA regarding a credit agreement by Scrap Metal Services, LLC. Scrap Metal Services, LLC (All Star Metals) is securing credit for its operations at the Port of Brownsville. The agreement is needed so that Scrap Metal Services can close on the loan and received the loan proceeds. Legal Counsel has reviewed the agreement and concurs that it is ready for consideration by the BND Commission. Commissioner Reed moved to approve the Landlord Creditor Agreement with Bank Leumi USA regarding a credit agreement by Scrap Metal Services, LLC, Commissioner Cowen seconded, and the motion passed unanimously.

10. Consideration and Action Authorizing Port Director & CEO to sign amended Subordination Agreement with Advantage Capital Community Development Fund XXXIII, L.L.C. regarding an extension of credit by Scrap Metal Services, LLC.

Mr. Campirano addressed the Board requesting authorization for Port Director & CEO to sign amended Subordination Agreement with Advantage Capital Community Development Fund XXXIII, L.L.C. regarding an extension of credit by Scrap Metal Services, LLC. Scrap Metal Services, LLC (All Star Metals) is securing credit for its operations at the Port of Brownsville. The amended agreement is needed so that Scrap Metal Services can close on the loan and received the loan proceeds. The amended agreement contains language that in the event of default by lessee, Advantage Capital may (a) abandon the collateral in place, (b) conduct an auction or other sales of equipment on site, or (c) remove the equipment provided that it adheres to the provisions of the agreement in section 1 through 4 of the agreement. This language is similar to provisions in other subordination agreements approved in the past. Legal Counsel has reviewed the agreement and concurs that it is ready for consideration by the BND Commission. Commissioner Guerra moved to approve the amended Subordination Agreement, Commissioner Reed seconded, and the motion passed unanimously.

11. Consideration and Action to Authorize Port Staff to solicit Request For Qualifications for Port of Brownsville Land Appraisal Services.

Mr. Campirano addressed the Board requesting authorization for Port Staff to solicit Request For Qualifications for Port of Brownsville Land Appraisal Services. The Brownsville Navigation District (BND) seeks Request for Qualifications for the professional services of a real estate appraiser competent in determining the fair market value of real property used for or in connection with public deep-water port facilities and the promotion of waterborne commerce through said

port facilities, known as the Port of Brownsville. The selected provider, if any, shall provide an Appraisal Report that will include a professional opinion as to the fair market value of all said Port of Brownsville real property owned by the BND, excluding all fixtures and improvements located thereon and owned by the BND, and excluding all fixtures and improvements located on any portion of said property owned by any tenant at the Port of Brownsville pursuant to the provisions of a lease. Said Appraisal Report shall also include the appraisal method or procedure utilized and the date necessary to substantiate the professional opinion of fair market value. Commissioner Guerra moved to authorize the Staff to solicit Request for Qualifications of Land Appraisal Services, Commissioner Wood seconded, and the motion passed unanimously.

12. Consideration and Action to authorize Port Staff to Advertise for Bids for two dump trucks, and to Open Bids thereof.

Mr. Gomez addressed the Board requesting authorization for Port Staff to advertise for bids for two dump trucks and to open bids thereof. BND Staff is seeking authorization to advertise for bids for two dump trucks and to open bids once received. The request for the dump trucks will allow the District to replace the existing (2) 2008 Freightliner (10-12yd.) dump trucks with new (16-18 yd.) trucks. The 2008 models will be offered as trade-ins. Commissioner Reed moved to authorize BND Staff to advertise for bids for two dump trucks, and to open bids once received, Commissioner Wood seconded, and the motion passed unanimously.

13. Consideration and Action to authorize Port Staff to Advertise for Bids for crushed limestone, and to Open Bids thereof.

Mr. Gomez addressed the Board requesting authorization for Port Staff to Advertise for Bids for crushed limestone, and to Open Bids thereof. The District purchases crushed limestone for construction of patio storage areas and the maintenance of existing facilities. This material is purchased as needed, and the District does not guarantee any level of purchasing. Discussion followed regarding the possibility of advertising for a 3-year contract. Commissioner Reed moved to authorize Port Staff to advertise for bids for crushed limestone and to open bids thereof, Commissioner Wood seconded, and the motion passed unanimously.

14. Consideration and Action to authorize Port Staff to Advertise for bids for treated lumber, and to Open Bids thereof.

Mr. Gomez addressed the Board requesting authorization for Port Staff to advertise for bids for treated lumber, and to open bids thereof. The District purchases treated lumber for the maintenance and repairs of existing waterfront facilities. This material is purchased as needed, and the District does not guarantee any level of purchasing. Commissioner Guerra moved to authorize Port Staff to advertise for bids for treated lumber and to open bids thereof, Commissioner Cowen seconded, and the motion passed unanimously.

15. Consideration and Action to authorize Port Staff to Advertise for Bids on the Oil Dock #6 East Side Pipe Bridge project, and to Open Bids thereof.

Mr. Chavez addressed the Board requesting authorization for Port Staff to advertise for bids on the Oil Dock #6 East Side Pipe Bridge project, and to Open Bids thereof. On July 21, 2021 BND Commissioners authorized acceptance of the proposal from Lanier & Associates Consulting Engineers, Inc. (Lanier) on Engineering Design Services for the Oil Dock #6 East Side Pipe Bridge project. Services included project management, geotechnical and topographic data review, draft design basis document, detailed design of landside supports, review of waterside support structure, detailed engineering, layout and design of new pipe bridge and 60% and 100% drawings and specifications, among other things. Lanier has completed these tasks and has submitted the 100% drawings and specifications, and Staff is ready to proceed with bidding the project as per the

following calendar in 2022: Advertise for Bids: January 24 & 31st; Pre-Bid Meeting: January 31st; Bid Opening: February 8; Bid Review: Feb. 8 – Feb. 9; Submit Award Agenda Item: February 9; Award Contract: February 16 Board Mtg. On the basis of this calendar, BND Staff is requesting authorization to Advertise for Bids in the local newspaper for the work on this project. BND Staff will also notify known contractors by email and/or phone to invite them to bid. The plan is to open bids on February 8, 2022 and tabulate them. Staff would then review the submittals and prepare a recommendation for consideration and possible award of the contract by BND Commissioners at the February 19, 2022 Board Meeting. Commissioner Reed moved to authorize Port Staff to publish the Invitation to Bid on the Oil Dock #6 East Side Pipe Bridge project as required by BND Purchasing procedures, and to open bids once they are received, Commissioner Wood seconded, and the motion passed unanimously.

16. Consideration and Action to authorize Port Staff to Advertise for Bids on the South Yard Track Expansion – Ostos Road Pavement project, and to Open Bids thereof.

Mr. Chavez addressed the Board requesting authorization for Port Staff to Advertise for Bids on the South Yard Track Expansion – Ostos Road Pavement project, and to Open Bids thereof. Port Staff has been working with OmniTRAX/Brownsville-Rio Grande Railway (OmniTRAX) and their engineering consultant AECOM on the South Yard Track Expansion project as it relates to the Pesqueria and Ternium project with BND tenant Gulf Stream Marine. A major component of these improvements is extending rail yard lines SY1, SY2 and SY3 westerly to enhance rail mobility, loading and unloading. The rail extensions require installation of a new railroad crossing of Ostos Road between Dock 11 Road and Dock 13 Road, which is comprised of rail elements and road elements. The road elements have been packaged as the South Yard Track Expansion – Ostos Road Pavement project. The improvements to be installed include roadway removal and replacement to match the crossing higher grade, as well as replacement and casing of a gravity sanitary sewer line that will be under the new rail crossing. Plans have been prepared by AECOM and Staff is ready to proceed with bidding the road or pavement portion of the project as per the following calendar in 2022: Advertise for Bids: January 24 & 31st; Pre-Bid Meeting: January 31st; Bid Operating: February 8; Bid Review: Feb. 8 – Feb. 9; Submit Award Agenda Item: February 9; Award Contract: February 16 Board Mtg. BND Staff is requesting authorization to Advertise for Bids in the local newspaper. Staff will also notify known contractors by email and/or phone to invite them to bid. Staff plans to open bids on February 8, 2022, tabulate and review them and prepare a recommendation for consideration and possible award by BND Commissioners at the February 19, 2022 Board Meeting. Commissioner Reed moved to authorize publishing of the invitation to Bid on the South Yard Track Expansion – Ostos Road Pavement project as required by BND Purchasing procedures, and to open bids once received, Commissioner Wood seconded, and the motion passed unanimously.

17. Consideration and Action to authorize payment of \$124,152.62 to the Brownsville Public Utilities Board to Relocate electricity lines from aerial to underground as required for the Patio 22 East Entrance project.

Mr. Chavez addressed the Board requesting authorization of payment of \$124,152.62 to the Brownsville Public Utilities Board to relocate electricity lines from aerial to underground as required for the Patio 22 East Entrance project. The Port Director and BND Engineering Staff have been working with the OmniTRAX/Brownsville-Rio Grande Railway group (OmniTRAX), BND Gulf Stream Marine (GSM) team and OmniTRAX's engineering consultant AECOM on the South Rail Yard Expansion/Pesqueria project, which will extend rail line SY1, SY2 and SY3 westerly to enhance rail mobility, loading and unloading. The project requires installation of a new rail crossing on Ostos Road. While the new crossing is installed, the only access to Patio 22 will be

from the East side across Dock 16 Road. The entrance was designed with sufficient width to accommodate movement of windmill blades. Brownsville Public Utilities Board (BPUB) facilities need to be relocated at the entrance from Ostos Road, including removing poles and aerial cables that are in the way and installing conduits and underground cables across the new East entrance. BPUB staff originally estimated the cost of this work to be \$124,152.62. BND Staff worked with BPUB Staff to revise the design and the estimated cost was reduced to \$116,586.80. Commissioner Guerra moved to authorize payment to the Brownsville Public Utilities Board in the amount of \$116,586.80 to relocate electricity service lines from aerial to underground, including removal of poles, for the Patio 22 East Entrance as required for the South Rail Yard Expansion/Pesqueria project, Commissioner Cowen seconded, and the motion passed unanimously.

- 18. Adjourn into Executive Session, as authorized by Subchapter D of Chapter 551 of the Government Code to discuss with attorneys pending or contemplated litigation and matters in which the duty of the attorneys under the Rules of Professional Conduct clearly conflict with Chapter 551; to conduct deliberations regarding real property (§551.072); to deliberate the deployment of security personnel or devices (§551.076); to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee (§551.074); and to conduct deliberations regarding economic development negotiations (§551.087).**

The Board did not adjourn into executive session.

- 19. Possible action on matters or items discussed in Executive Session.**

There was no executive session.

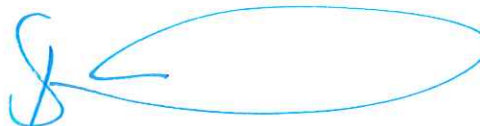
- 20. Adjournment.**

Commissioner Guerra moved to adjourn the meeting, Commissioner Reed seconded, and the meeting was adjourned by unanimous consent at 6:55 p.m.

ATTEST



Esteban Guerra, Secretary



Sergio Tito Lopez
Chairman of the Board